

ECONOMIC DEVELOPMENT STRATEGY GOALS, POLICIES & ACTIONS

GOALS

GOAL 1: ATTRACT, RETAIN, and EXPAND THOSE BUSINESSES THAT:

- **Create and/or retain quality jobs for Morgan Hill residents.**
- **Enhance the local economic base by retaining or generating new sales and/or use tax revenue within the community.**
- **Provide a shopping convenience presently lacking in the community.**
- **Maintain a diversified local economic base.**
- **Enhance and/or maintain the community's quality of life.**

GOAL 2. SUSTAIN A FINANCIALLY HEALTHY AND VIBRANT DOWNTOWN.

GOAL 3. ENSURE THE ACCOUNTABILITY OF ALL ECONOMIC DEVELOPMENT PARTNERSHIPS

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ATTRACTION POLICIES AND ACTIONS

Policies

- Policy 1A:** Establish and market an image that effectively attracts businesses to locate and invest in Morgan Hill. (R/E)
- Policy 1B:** Leverage Agency/City funds to assist businesses by:
- Maximizing the return to the City
 - Ensuring that Agency monies attract other private investment dollars. (R/E, D/T)
- Policy 1C:** Review and evaluate the City's business assistance guidelines annually, at a minimum, and make modifications as appropriate. (R/E, D/T, ACCT)
- Policy 1D:** Continue implementing ongoing efforts to evaluate and revise entitlement process to reduce processing time, make it easier to use the process and enhance applicant satisfaction. (R/E, D/T)
- Policy 1E:** Encourage the assembly of parcels needed for commercial/industrial development at the three highway interchanges in Morgan Hill. (R/E)
- Policy 1F:** Participate proactively in regional efforts to evaluate future growth industries and/or emerging technologies and use the information to better position the City to take advantage of those future opportunities. (R/E)
- Policy 1G:** Target businesses which will act as a catalyst to stimulate other development. (D/T)

Note: Those policies may also apply to other program policies as well as other goals are delineated by a "(R/E, D/T, and ACCT)" symbol at the end of the policy. R/E stands for Retention/Expansion Policies and Action. D/T represents the Downtown Goal and ACCT is for the Accountability goal. It is assumed that an action that pertains to a policy would also apply to other program policies and goals and, thus, does not need to be identified as such.

Actions

- Action 1A:** Improve the efficiency and effectiveness of business ombudsman services to the community.
- Action 1B:** Prepare a target industry/business analysis (Study) for both retail and industrial development. The Study would include both a cluster and an economic base analysis to identify existing industries/businesses in town and current development trends. The results of the Study would be coordinated with and used to further the City's marketing efforts.
- Action 1C:** Establish a business attraction program which contains the following elements:
- Establishes a “private-public” partnership approach for following up on leads from major corporations.
 - Targets industries/businesses based on the results of the target business/cluster analysis.
 - Coordinates marketing efforts with the private sector.
- Action 1D:** Develop a marketing strategy which includes the following elements:
- An advertising campaign
 - Target mailings
 - Preparation of any needed marketing collateral
 - Public relations campaign
- Action 1E:** Continue working with property owners and developers to facilitate the assembly of key commercial/industrial properties located at the three highway interchanges.
- Action 1F:** As a pilot program, prepare PUD guidelines for the Walnut Grove area to make it more ready for development.
- Action 1G:** Maintain the City Council's Economic Development Committee (with rotating membership) to discuss specific business proposals that are evaluated against established criteria/parameters for economic development loan/grant programs and to update this Strategy annually.
- Action 1H:** Continue implementing the auto dealership strategy and provide periodic status updates to the City Council.
- Action 1I:** The City Council's Economic Development Committee (EDC) will review the business assistance guidelines annually, at a minimum, and make recommendations to the City regarding revisions.

RETENTION/EXPANSION POLICIES AND ACTIONS

Policies

- Policy 2A:** Encourage the use/reuse of vacant buildings.
- Policy 2B:** Focus on the retention of those companies which:
- Have been successful in the community for a minimum of seven years with priority given to those which have national/international name recognition
 - Provide a stimulus or spin off effect for other similar businesses to locate in the area
- Policy 2C:** Retain and support expansion of commercial businesses which:
- Reflect the image and/or represent the history of Morgan Hill.
 - Create jobs, generate tax revenue to the City, and/or provide a service currently lacking in the community
- Policy 2D:** Encourage tourism.

Actions

- Action 2A:** Establish a business retention program which contains the following elements:
- Business visitation and/or surveying programs including the analysis of results and follow-up from a response team.
 - An “early warning system” to identify at-risk firms prior to their shut down or relocation.
 - A database of businesses in town by type and size needed for the retention/expansion program.
 - A program to assist small high tech or “niche” industries in town with their business-to-business activities.
- Action 2B:** Develop a reuse strategy for older, vacant industrial buildings.

GOAL 2: SUSTAIN A FINANCIALLY “HEALTHY” AND VIBRANT DOWNTOWN.

Policies

- Policy 2a:** Encourage transit-oriented development with a mix of market and affordable housing in or adjacent to downtown.
- Policy 2b:** Encourage the revitalization of downtown by dedicating a specific amount of Agency’s funds toward downtown development.
- Policy 2c:** Minimize the impacts that new large retail development may have on the financial viability of similar businesses in the City with particular focus on downtown. No City/Agency funds should be expended to minimize the impacts.

Actions

- Action 2a:** Provide start-up funding for and work with the Morgan Hill Downtown Association (MHDA) to implement a Main Street program in downtown.
- Action 2b:** Issue an RFP to solicit proposals for potential retail, commercial, residential, and/or mixed use developments in an expanded downtown area. Designate a specific amount of funding available to assist selected projects:
- \$1M in the Agency’s 20% Housing Set-aside monies
 - \$1M in Agency Economic Development funds
 - \$1M in Agency funds allocated to infrastructure monies.
- The Agency would use the Updated Downtown Plan to evaluate proposals and may choose to fund one or more projects.
- Action 2c:** Develop a reuse strategy for the Albertson’s shopping center.
- Action 2d:** Evaluate the level and priority of public improvements needed for the downtown to stimulate development along Monterey Road.
- Action 2e:** Encourage and facilitate the earliest completion of PL566 to reduce the potential for flooding downtown.
- Action 2f:** Research and evaluate programs and policies implemented by other cities to minimize the impacts that new large retail development may have on the financial viability of similar businesses in the downtown area.

GOAL 3: ENSURE THE ACCOUNTABILITY OF ALL ECONOMIC DEVELOPMENT PARTNERSHIPS

Policies

Policy 3A: All economic development programs and activities provided by Economic Development Partnerships (Partnerships) or City/Agency staff will be required to establish and regularly report on goals/objectives, performance measures, and action plans which will be used for regular evaluations.

Policy 3B: The City will encourage all Partnerships to become financially self-sufficient over an established period of time.

Actions

Action 3A: The City's Economic Development Committee will:

- Semiannually assess the effectiveness of all Partnerships and City activities against the EDS and established goals and performance measures.
- Assist in establishing the goals, objectives and performance measures for the various Partnerships and City economic development programs.
- Suggest improvements and alternate approaches for Partnerships and City programs in meeting EDS goals and policies, as appropriate.

Action 3B: The City Council will receive semiannual updates of financial resources available for economic development activities and the status of funded activities including, but not limited to, private investment leveraged, revenues generated, jobs created/retained, and status of implementation.

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